



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/753,879	01/03/2001	L. Cade Havard	P04619US0	1966
22885	7590	05/20/2005	EXAMINER	
MCKEE, VOORHEES & SEASE, P.L.C. 801 GRAND AVENUE SUITE 3200 DES MOINES, IA 50309-2721			BUI, KIM T	
		ART UNIT	PAPER NUMBER	
		3626		

DATE MAILED: 05/20/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	09/753,879	HAVARD, L. CADE
	Examiner Kim T. Bui	Art Unit 3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 09 February 2005.  
 2a) This action is **FINAL**.      2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-19 is/are pending in the application.  
 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) Claim(s) \_\_\_\_\_ is/are allowed.  
 6) Claim(s) 1-19 is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
 Paper No(s)/Mail Date \_\_\_\_\_.

- 4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date. \_\_\_\_\_.  
 5) Notice of Informal Patent Application (PTO-152)  
 6) Other: \_\_\_\_\_.

**DETAILED ACTION**

***Notice to Applicant.***

1. This communication is in response to the amendment filed 02/09/2005. Claims 1-19 are pending. Claims 1,9,12 have been amended.

***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-19 are rejected under 35 U.S.C. 101 because the claims are directed to non-statutory subject matter for substantially the same reasons given in the previous Office Action mailed 11/12/2004, and incorporated herein. Further reasons are given below and in the Response to Arguments.

(A) Claims 1, 9,12 have been amended to recite "computer assisted" in the preamble. The recitation has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951). As such, the added features "computer assisted" and the intended- use phrase " to thereby maximize healthcare savings while minimizing inconvenience to participants in changing health care providers for participants in a virtual healthcare networks" fail to apply, involve, use or advance to

technological art and therefore claims 1-19 are remained rejected as non-statutory subject matter for the above reasons and for the same reasons given in the previous Office Action mailed 11/12/2004. Further reasons are given in the Response to Arguments.

***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claim 12 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

(A) As per claim 12, "the new method" on line 3 lacks clear antecedent basis, is confusing, not positively recited and not defined by the steps of the claim.

(B) Dependent claims 13-19 incorporate the deficiency of the claim they depend on and are therefore rejected.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lockwood (5706441) in view of Goodroe et al (US2002/0123905 A1) and "For Health Benefits, Point and Click" by Leonard Bill, for substantially the same reasons given in

the prior Office Action mailed 11/12/2004, and incorporated herein. Further reasons appear herein below:

(A) Claim 1 has been amended to recite "computer assisted" in the preamble and the phrase "to thereby maximize healthcare savings while minimizing inconvenience to participants in changing healthcare providers for participants in the virtual healthcare network" in the body of the claim. As per this feature, Lockwood discloses a digital computer in col. 9, lines 10-11.

In addition, the added phrase "to thereby maximize healthcare savings while minimizing inconvenience to participants in changing healthcare providers for participants in the virtual healthcare network" is a recitation of the intended use of the claimed invention. In the present application, there is no structural difference between the "virtual health care network (PPO)" recited by the Applicant and the "virtual PPO" disclosed by Leonard.

(B) Claims 2-8 have not been amended. The claims are rejected for the same reasons given in the prior Office Action, mailed 11/12/2004, and incorporated herein.

(C) Claims 9, 12 have been amended to recite "computer assisted" in the preamble. As per this feature, Lockwood discloses a digital computer in col. 9, lines 10-11.

(D) Claims 10-11 and 13-18 have not been amended. The claims are rejected for the same reasons given in the prior Office Action, mailed 11/12/2004, and incorporated herein.

8. Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Lockwood (5706441) in view of Goodroe et al (US2002/0123905 A1) and "For Health

Benefits, Point and Click" by Leonard Bill as applied to claim 18 above and further in view of Warady et al. (6067522), for substantially the same reasons given in the prior Office Action mailed 11/12/2004, and incorporated herein.

(A) Claim 19 has not been amended, and is rejected for substantially the same reasons given in the prior Office Action mailed 11/12/2004, and incorporated herein.

***Response to Arguments***

9. Applicant's arguments filed 02/09/2005 have been fully considered but they are not persuasive. Applicant arguments will be addressed herein below:

(A) On pages 7,8 of the Remarks, Applicant argues the "within technological art" in the rejection of claims 1-19 under 35 USC 101 and stated " in J.E.M. Ag Supply. Inc v. Pioneer Hi-Bred International, Inc, 534 U.S. 124, 122 S.Ct. 593 (2001), the U.S. Supreme Court specifically refused to add any additional constitutional requirements into 35 U.S.C. 101. In response, it is submitted that Applicant's statement is misleading. J.E.M. Ag Supply. Inc v. Pioneer Hi-Bred International, Inc, 534 U.S. 124, 122 S.Ct. 593 (2001) is about plant patents and whether the Plant Patent Act or the Plant Variety Protection Act had any impact on 101. While the Court said the PPA and the PVPA do not impact 101, this is not the same as argued that no additional requirements are to be added to 101.

Applicant further argues that the claims 1,9,12 have been amended to recite "computer assisted". In response, it is submitted that the added feature "computer-assisted" in claim 1, 9, 12, occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended

use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

Regarding the added phrase " to thereby maximize healthcare savings while minimizing inconvenience to participants in changing healthcare providers for participants in the virtual healthcare network" in claim 1, this is a recitation of the intended use of the claimed invention, and must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to the prior art. See *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 312 F.2d 937, 939, 136 USPQ 458, 459 (CCPA 1963). In the present application, there is no structural difference between the "virtual health care network " recited by the Applicant and the "virtual health care network (PPO) " disclosed by Leonard.

(B) On pages 9-10 of the Remarks, Applicant argues that Lockwood does not disclose "providing one or more healthcare networks in each of the states for analysis". In response, it is submitted that Lockwood clearly discloses health care network(s) on col. 1, lines 16-22.

Applicant further argues that Lockwood is not concerned with " evaluating different healthcare networks within the same state in order to select the healthcare

network having the highest projected savings", that "Lockwood looks to evaluating healthcare providers within a group of healthcare providers, as opposed to health care network", and that " Lockwood is directed to examining particular benchmark which do not equate to the measures of network utilization.

In response, it is submitted that the claims do not recite "evaluating" step. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). In addition, Lookwood teaches the measure of network utilization by monitoring of the cost- efficiency performance level of health care provider(s) using statistical technique and comparison benchmark implemented by digital computer and utilization management database. See Lockwood col. 13, lines 16-23, Fig. 1, col. 8, lines 39-41. It is submitted that Applicant does not disclose or argue a specific meaning of the term "measure", except the standard definition. As such, the term "measure" must be given its broadest interpretation in its plain meaning, such as "a basis standard of comparison", according to Webster's Encyclopedic Unabridged Dictionary of English Language, 998 (1996) (copy attached). And this is clearly disclosed by Lookwood in col. 1, lines 27-35, col. 8, lines 39-41.

Lookwood discloses the monitoring of healthcare providers in order to oversee the operation of healthcare network since the network is made up of the healthcare providers. The measured operation of a healthcare provider is a direct function of the operation of the healthcare network. See Lockwood, col. 1, lines 19-20, lines 27-33. It is readily apparent that the operation(s) of more than one healthcare networks can be

Art Unit: 3626

tracked using the same comparison principle disclosed by Lockwood. In addition, Goodroe et al suggests the comparison of medical performances using benchmarks of regional, or national level to select competitive services from managed healthcare organization (i.e, healthcare networks) on page 2, paragraphs 0020-0021.

Also, on page 10 of the Remarks, Applicant argues that Leonard discloses "virtual PPO", but use the term "virtual PPO" in a different manner. In response, although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). The claims broadly recite " forming a virtual healthcare network (PPO)" and the concept of forming on line health care network (PPO) for a better health care administration is well known as evidenced by Leonard. In addition, it is unclearly how " a different manner" argued by Applicant is reflected in the claimed language.

(C) Applicant argues on pages 10-11 of the Remark that the references do not disclose "for each of the networks having the highest utilization, calculating future savings for the network based on historical healthcare costs for planned participants, network discounts, and a portion of historical healthcare costs projected to fall to a healthcare provider in the network.

Applicant further argues on page 11 of the Remarks that the references do not disclose "projecting future healthcare savings based upon the average network discount per participant and a number of participants in the network".

In response to these arguments, it is submitted that concepts of calculating/projecting future savings, and lowering cost by network discounts are not

expressly recited by Lookwood, but are clearly suggested by Goodroe et al and Leonard as discussed in the rejections of claims 9, 12, in the previous Office Action, mailed 11/12/2004, and incorporated herein. In response to the applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

(D) On page 11 of the Remarks, Applicant argues the *prima facie* case of obviousness. In response, the Examiner respectfully submits that the rejection set forth in the Office Action dated 11/12/2004 addresses all the limitations of the claims.

It is respectfully submitted that obviousness is determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783 F.2d 1038, 1039, 228 USPQ 685,686 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785,788 (Fed. Cir. 1984); and *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143,147 (CCPA 1976). Using this standard, the Examiner respectfully submits that she has at least satisfied the burden of presenting a *prima facie* case of obviousness, since she has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention (See the Office Action dated 11/12/2004).

The Examiner respectfully notes that each and every claimed limitations are

addressed by select portions of the respective reference(s) which specifically support that particular motivation and/or an explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness. As such, it is respectfully submitted that explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner. Furthermore, it is respectfully contended that there is no requirement that the motivation to make modifications must what they suggest to one versed in the art, rather than by their specific disclosures, *In re Bozek*, 163 USPQ 545 (CCPA 1969).

In addition, it is respectfully submitted that the issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art, as supported by decisions in *In re DeLisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lalu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Further, it was determined in *In re Lamberti et al*, 192 USPQ 278 (CCPA) that:

- (i) obviousness does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and
- (iii) the question is not express teaching of references, but what they would suggest.

According to *In re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the

applied references. In *In re Bode*, 193 USPQ 12 (CCPA 1977), every reference relies to some extent on knowledge of persons skilled in the art to complement that which is disclosed therein.

According to *Ex parte Berins*, 168 USPQ 374 (Bd. Appeals), there is no statutory limitation as to the number of references that may be used to demonstrate obviousness...not what references expressly state but what they would reasonably suggest to one of ordinary skill in the art. In *In re Conrad*, 169 USPQ 170 (CCPA), obviousness is not based on express suggestion, but what references taken collectively would suggest.

As such, it is respectfully submitted that an explanation based on logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner both in the present Office Action as well as the prior Office Action, *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter., 4/22/93).

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. "Computer implemented method for profiling medical claims" (6370511 B1); "Integrated multiple biomedical information sources" (6751630 B1).

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kim T. Bui whose telephone number is 571-272-6768. The examiner can normally be reached on Monday-Friday from 8:30A.M. to 5:00P.M..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

KTB  
04/20/05.

  
HYUNG SOOUGH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER